



**STATEMENT OF PROCEEDINGS  
FOR THE REGULAR MEETING OF THE  
LOS ANGELES GRAND AVENUE AUTHORITY  
KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 374-A  
LOS ANGELES, CALIFORNIA 90012**



**Monday, January 28, 2013**

**10:00 AM**

AUDIO LINK FOR THE ENTIRE MEETING (13-0591)

**Attachments:** [AUDIO](#)

Present: Chair Gloria Molina, Secretary William Fujioka and Vice Chair  
José Huizar

Absent: Director Christine Essel

**I. ADMINISTRATIVE MATTERS**

1. Call to Order. (13-0510)

**Chair Molina called to order the forty-third meeting of the Los Angeles Grand Avenue Authority at 10:15 a.m., with a quorum of members present.**

2. Approval of the December 10, 2012 minutes. (13-0511)

**On motion of Vice Chair Huizar, seconded by Secretary Fujioka, and unanimously carried (Director Essel being absent), this item was approved.**

**Attachments:** [SUPPORTING DOCUMENT](#)

**II. CLOSED SESSION****3. CONFERENCE WITH REAL PROPERTY NEGOTIATORS**  
(Government Code Section 54956.8)

Property:                      Parcels Q, W-2, L and M-2 of the  
   Bunker Hill Urban Renewal Project  
   Area and the Park Parcel

JPA Real Property        Alma Martinez, Michelle Cervera,  
Negotiator:                Richard Volpert, Dawn McDivitt,  
   Paul Rutter, Thomas Webber,  
   Diane Hvolka, Jenny Scanlin

Negotiating Parties:    Grand Avenue L.A., LLC\

Under Negotiation:     Price and Terms (13-0518)

**Chair Molina referenced the above Notice of Closed Session items to be discussed.**

**The JPA Board recessed to Closed Session at 10:16 a.m.**

**The JPA Board reconvened the Grand Avenue Authority meeting at 11:12 a.m.**

**III. REPORTS**

4.      Status Update on the Grand Avenue Project Phase IIA, Parcel L (Broad Museum) located at 221 South Grand Avenue, Los Angeles, CA - Jenny Scanlin. (13-0520)

**Jenny Scanlin, Regional Administrator, Community Redevelopment Agency of the City of Los Angeles (CRA/LA), A Designated Local Authority, provided an update on the Grand Avenue Project Phase IIA, Parcel L (Broad Museum). Ms. Scanlin reported that Joint Powers Authority (JPA) members attended the Topping Off Ceremony on January 8, 2013 where the last beam was set. The touch down beam for the veil has been placed and the backup steel has begun to arrive; formation of the steel is set to begin in the spring and the panels are in the fabrication process in San Juan Bautista. Building plans are being met according to schedule and the opening of Broad Museum remains set for spring of the year 2014.**

5.      Status Update on the Grand Avenue Project Phase IIB, Parcel M-2 (Residential Tower and Retail Development) located 237 South Grand Avenue, Los Angeles, CA - Jenny Scanlin. (13-0521)

Jenny Scanlin, Regional Administrator, Community Redevelopment Agency of the City of Los Angeles (CRA/LA), A Designated Local Authority, provided an update on the Grand Avenue Project Phase IIB, Parcel M-2 (Residential Tower and Retail Development). Ms. Scanlin reported that Joint Powers Authority (JPA) members attended the groundbreaking event on January 10, 2013. Transaction was completed in December, grading of Grand Avenue Project Phase IIB, Parcel M-2 began a week after the completion of financial documents. The site is currently being excavated and foundation work is agreed to begin in the summer.

Attachments:    [SUPPORTING DOCUMENT](#)

#### **IV. RECOMMENDATIONS**

6. Request by Grand Ave LA, LLC for a short term extension to the Revised Grand Avenue Project Phase I, Parcel Q Schedule of Performance with respect to the Commencement of Construction, currently February 15, 2013, and other related deadlines, subject to its agreement to certain terms, including waivers - Dawn McDivitt (13-0522)

Dawn McDivitt, Chief Executive Office (CEO) reported that this is a request for a short term extension of two to three months on the second amendment Phase I, Parcel Q. Ms. McDivitt provided a brief overview of the previous existing extension. The authority has three options:

1. Deny request
2. Grant request and retain authority's rights to grant and/or deny further extensions
3. Grant an extension for a period longer than two to three months and retain authority's rights to grant and/or deny further extensions

Ms. McDivitt (CEO) recommended that the Joint Power Authority (JPA) grant a three month short term extension beginning on February 15, 2013 and ending on May 15, 2013 to ensure that certain term sheets and items are documented. Such items would include:

- Developer will remain obligated to pay the JPA for third party expenditures
- Preparation for second amendment or further amendments to the Disposition and Development Agreement (DDA) ground leases
- Make a decision for Phase I development
- Address future rights for Phase III, W2 etc.

In response to Chair Molina, Tim Chung, Los Angeles City Attorney confirmed that Grand Avenue Authority has no legal obligation to grant the request.

Bill Witte, Related Company, explained that the reason for the short term extension request is to re-evaluate the original concept and address technical terms.

Chair Molina agreed to go with Option #3. However, she expressed concern over the short term extension request and would like for specific milestones and objectives to be met, if Related Company is unable to meet requirements no further extension will be granted and contract will be withdrawn.

Mr. Witte, clarified certain delays may require future extensions, for example, hearings needed for approvals.

Chair Molina re-affirmed her position and stated that a clear, concise and realistic outline must be followed. Mr. Witte agreed.

Chair Molina clearly explained that this extension is the last ditch effort to save Related Company as the developer.

In response to Vice Chair Huizar, Mr. Witte stated that financing is not guaranteed until the drawings are in the advanced stage.

Chair Molina expressed concern over repeated requests for extensions without results.

Vice Chair Huizar requested a specific commencement date.

At the request of Vice Chair Huizar, Mr. Witte explained that the performance schedule was not being met because of the recession and the Parcel M project had to be completed before starting Phase I, Parcel Q. Jenny Scanlin also stated that numerous conversations with Related Company did occur.

Chair Molina requested a status report in closed session within a two month period.

Brady Westwater addressed the JPA Board and commented in support of the extension. He also acknowledged the importance for timely compliance.

**Patti Berman, President of Downtown Los Angeles Neighborhood Council (DLCANC) addressed the JPA Board and commented in support of the extension.**

**Chair Molina requested Ms. Berman to encourage Related Company to comply with the requirements.**

**Russell Brown (DLANC) addressed the JPA Board and commented in support of the extension.**

**Carol Schatz, President of Central City Association, addressed the JPA Board and commented in support of the extension.**

**Chair Molina explained that the extension will be limited and based on realistic outcomes.**

**Chair Molina decided to go with Option #3, which will give Related Company a three month extension to provide a term sheet with a numerated outline of objectives that will be met. However if there is no agreement between the JPA and Related Company after three months there will be no extensions and contract will be withdrawn.**

**At the request of Vice Chair Huizar, Helen Parker, County Counsel stated that no statements need to be released for public record prior to the closed session.**

**Secretary Fujioka re-iterated the importance of meeting the deadlines.**

**At the request of Mr. Witte, Chair Molina confirmed that Dawn McDivitt will be the point person. Chair Molina requested that discussions relating to the conditions start promptly. Dawn McDivitt agreed.**

**On motion of Secretary Fujioka, seconded by Vice Chair Huizar, and unanimously carried (Director Essel being absent) this item was approved.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

7. Acknowledge and approve an increase to the Civic Park (Grand Park) Budget of a not to exceed amount of \$38,000.00 to reimburse project management costs by Grand Avenue Park Development, LLC for close-out activities related to the Civic Park Project Dawn McDivitt (13-0523)

**Dawn McDivitt, Chief Executive Office, reported that there has been a request to increase line item for project management in the Grand Park budget and advised that this request has been examined and deemed feasible and within budgeted margins.**

**On motion of Secretary Fujioka, seconded by Vice Chair Huizar, there being no objection (Director Essel being absent) this item was approved.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

8. Approve and Authorize the Negotiation of an Amendment to the existing legal Services Contract Between the Grand Avenue Authority and Gilchrist & Rutter to continue providing legal services for the Authority after the current expiration date of June 30, 2013, for an amount not to exceed \$75,000 (except to the extent reimbursed by third parties) - Helen Parker and Tim Chung. (13-0547)

**Helen Parker, County Counsel, stated that work is being executed in conjunction with City Attorney Tim Chung and Dawn McDivitt to authorize the appropriate updates to Gilchrist & Rutter's legal services contract and advised that the cost of services provided by the firm was requested to be increased from \$50,000 to \$75,000.**

**Vice Chair Huizar questioned whether the legal cost increase would also cover the granted term extension, discussed in Item 6.**

**Ms. Parker added that the increase would cover the approved extension and provided an overview of the two existing accounting ledgers.**

**On motion of Secretary Fujioka, seconded by Vice Chair Huizar, there being no objection (Director Essel being absent) this item was approved.**

**V. MISCELLANEOUS**

9. Discussion of Future Agenda Items and Date of Next Meeting- Dawn McDivitt (13-0512)

**Chair Molina reported that a closed session meeting will be in two months and if needed special meetings can be scheduled.**

**Helen Parker, County Counsel reported that the next regular meeting will be held on February 25, 2013.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

10. Public Comment (13-0513)

**No members of the public addressed the Authority.**

11. Adjournment (13-0514)

**There being no further business to discuss, the meeting adjourned at 11:47 a.m.**